

**DEPARTMENT OF HOMELAND SECURITY
HOMELAND SECURITY ADVISORY COUNCIL MEETING
WEDNESDAY, JUNE 25, 2008**

The Council convened at 11:10 a.m. in Salon II of the Ritz-Carlton Hotel, 1150 22nd Street, N.W., Washington, D.C., William H. Webster, Chair, presiding.

HOMELAND SECURITY ADVISORY COUNCIL MEMBERS PRESENT:

WILLIAM H. WEBSTER, Chair
KATHLEEN M. BADER
FRANK J. CILLUFFO
JARED L. COHON
RUTH A. DAVID
HERB KELLEHER
DONALD R. KNABE
JOHN MAGAW
PATRICK McCRORY
RICHARD D. STEPHENS
LYDIA W. THOMAS
JOHN F. WILLIAMS

**ACADEME, POLICY & RESEARCH SENIOR ADVISORY COMMITTEE MEMBERS
PRESENT:**

ROXANE COHEN SILVER
WILLIAM PARRISH
GARY M. SHIFFMAN
ROBERT J. SPANE

**EMERGENCY RESPONSE SENIOR ADVISORY COMMITTEE MEMBERS
PRESENT:**

DAN CORSENTINO
ARTHUR KASSEL
PHILLIP E. KEITH
JUDITH M. MUELLER
JACK E. REALL
JOSEPH WHITE

PRIVATE SECTOR SENIOR ADVISORY COMMITTEE MEMBERS PRESENT:

NELSON BALIDO
MAURICE SONNENBERG
JEAN E. SPENCE
GEORGE A. VRADENBURG III
EMILY WALKER

**STATE AND LOCAL OFFICIALS SENIOR ADVISORY COMMITTEE MEMBERS
PRESENT:**

KAREN J. ANDERSON
MICHAEL BALBONI
JAMES R. DUNLAP
ROBERT A. ECKELS
THOMAS J. WYSS
JOSEPH ZARELLI

SECURE BORDERS OPEN DOORS ADVISORY COMMITTEE MEMBERS PRESENT:

FRANK J. CILLUFFO
ROXANE COHEN SILVER
SANDY DHUYVETTER
SUSAN GINSBURG
KEITH REINHARD

TABLE OF CONTENTS

<u>WELCOMING REMARKS</u>	3
<u>SECRETARY OF DHS DISCUSSION</u>	3
<u>SWEARING IN OF NEW MEMBERS</u>	5
<u>PRESENTATION OF ESSENTIAL TECHNOLOGY TASK FORCE REPORT</u>	5

WELCOMING REMARKS

CHAIRMAN WEBSTER: Good morning. I'd like to call this public portion of the Homeland Security Advisory Council meeting to order. My name is William Webster and I'm Chairman of the Homeland Security Advisory Council, or HSAC for short. I'd like to welcome our members and the guests who are in attendance today, including the public.

For members of the public who are unfamiliar with the HSAC, this Council serves to provide independent advice to Secretary Michael Chertoff and the Department's leadership across the spectrum of Homeland Security efforts. On today's agenda we will consider recommendations from the Essential Technology Task Force.

We're honored to have with us this morning Secretary Michael Chertoff, and we look forward to hearing his comments as the first order of business.

SECRETARY OF DHS DISCUSSION

SECRETARY CHERTOFF: Thank you, Judge Webster.

In a few moments I'm going to have the privilege of swearing in some of the new members to the Council, and I want to welcome them. I know each of them personally. I think they're going to be a terrific addition to a very strong group.

I'd also like to take the opportunity, at what I believe may be the last full meeting that we have, to recognize and thank this group for very good advice and hard work over the last three and a half years that I've been serving in my present capacity.

The work that has been produced here and the recommendations have been taken onboard and yielded some real positive results, whether it's the Transition Report which has been a cornerstone of our transition planning; the report on the Future of Terrorism, which has led to our formation of an Office of Net Assessment and a Quadrennial Homeland Security Review; reports on intelligence and information sharing which have led to the formation of fusion centers, you have really produced recommendations and advice that has yielded positive results and real action.

I thought I'd take a couple of moments to review where we are with the Department and then to charge you with one further task before the end of the year and make one final observation before

I swear everybody in.

I think if you look back on the three and a half years that I'm familiar with the Department and if you look further back on the somewhat over five years we've been in existence, there's been tremendous accomplishment and tremendous amount of forward progress.

First and foremost, of course, working in concert with our partners in the Federal Government and state and local government there has not been a successful attack against this country in the last six and a half years. It's not that they haven't tried. In the August 2006 plot, which is currently the subject we're trying in London, is in my mind Exhibit A of the continued effort of our enemy to try to bring havoc to this country. But we have succeeded thus far in preventing it.

I would also say that our integrated planning, integrated operational activity and the embedding in the DNA of this Department of a real system of metrics, measuring performance has been a big step forward for integration.

To pick one area, if I look at where we are with respect to illegal immigration on the border now compared to where we were five years ago, there's a solid change in momentum. You can see it, you can measure it. I open the paper everyday and I see stories talking about how there have been decreases in flow; we measure that decrease in flow, we measure what we have added to the border. We're now putting these metrics up on the web, and I want to continue to put more and more of our metrics on the web and be completely transparent.

The job is not done, but I think we've made a good start and we left a good bit of momentum moving in the right direction.

I ask you to do one further thing. As you look back upon the work that you've done thus far, and perhaps in progress, to identify for the next group of people who come in the ten tasks at a strategic level that you believe ought to be the first order of business for the incoming leadership team over the first year to two years of a new Administration. Maybe things we've talked about and maybe things we haven't talked about. But I think it would be a kind of list you'd want to hand off to the next Secretary and to the next leadership team.

Finally, let me make a last observation. The biggest challenge we face and the greatest vulnerability we face, whether it is with respect to terrorism or natural disasters, is the failure to learn from the past and the failure to continue with the perseverance that we have shown up to now.

Santayana famously said that "Those who do not remember the past are condemned to repeat it."

When the first 9/11 Commission issued its report, they entitled it "a failure of imagination." And in effect what they said was it was tragic but perhaps understandable that in the run up to 9/11, because there had not been a successful large scale attack against our country, that the country allowed itself to be lax, the country allowed itself to let its hopes triumph over its experience and the country didn't take the necessary steps and exert the necessary discipline and investment to minimize the risk. And, of course, we had September 11th.

We no longer can say that there is a basis to have failure of imagination. We don't have to imagine it. We've lived it, we continue to live it, and we continue to see it around the world. Every single day there's something going on somewhere that ought to remind us that this is a very real threat. And, of course, the threats are natural as well as manmade.

It doesn't mean that we ought to be paralyzed, but it does mean that we need to continue to exert the discipline to make the investments in time, effort and money that will continue to reduce our vulnerability. And if we do that, we will position ourselves as best as possible to avoid the need for another 9/11 report.

So I think that the institutional memory of this organization, this group, will be very important both within the organization and for the public at large in continuing to keep our eye on the ball in making these investments. We may not see the pay-off of these investments during our term of office, but I guarantee you that the pay-off will be there for the term of office of our successors and for our children, and that is really why we are doing these jobs: To build an institutional security for this country and not merely a transitory security.

SWEARING IN OF NEW MEMBERS

So with that I'm turning to the happy task of swearing in the new members.

CHAIRMAN WEBSTER: Would the new members come up to the front, please?

SECRETARY CHERTOFF: If you would raise your right hand and repeat after me?

I, state your name, do solemnly swear that I will support and defend the Constitution of the United States against all enemies foreign and domestic. And I will bear true faith and allegiance to the same, that I take this obligation freely without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter, so help me God.

Welcome aboard.

PRESENTATION OF ESSENTIAL TECHNOLOGY TASK FORCE REPORT

CHAIRMAN WEBSTER: The Secretary has pressing matters of business, but he wanted to be personally involved in swearing in the new members. And we welcome them and look forward to their contributions.

At this time we'll turn the floor over to George Vradenburg and the members of the Essential Technology Task Force to hear their final report.

Thank you.

MR. VRADENBURG: Thank you, Judge Webster.

This is a report from the Essential Technology Task Force, which was tasked by HSAC with focusing on how the Department could improve its capability to identify, acquire and deploy essential technologies.

I want to thank at the outset the members of the task force. At the risk of embarrassing some, I want to highlight the involvement and deep engagement of the work of Joe White, my Vice Chair and the two colleagues that sit on the right and the left of me who are deeply involved in the work of this task force. Lydia Thomas who is the former President and CEO of Noblis and Ruth David who is the President and CEO of ANSER. So I want to thank them for their work, but there were many people involved in this task force as we will see as I go through this presentation.

I want to say at the outset that the task force commends the Secretary and the Department for asking us and, indeed, asking itself the hard questions. What can DHS do to improve its performance in the acquisition of essential technologies needed to support the Homeland Security mission?

The task force members drew, obviously, on their own expertise, but we drew as well on the views, opinions, insights and experience of a number of public and private sector subject matter experts. From the public sector there were a number of people from DHS, from the Department of Defense, from other government agencies. From the private sector we drew from the views of a number of private sector experts from companies as diverse as EDS, IBM, GE, In-Q-Tel, Carlyle, Computer Sciences, Accenture, Boeing, Amazon, Booz Allen. We drew from airport authorities and from airport associations. So we drew on the views of a number of public and private experts. And we heard from the staff of key congressional committees, GAO and OMB on the view that these are key stakeholders in DHS enterprise as they finance and manage from their respective positions.

We found that both inside and outside of the Department there is this widespread view that the DHS processes, with respect to acquisitions of essential technologies, have some systemic weaknesses and need some attention and some focus. It is gratifying to understand that this view is held within the Department and that steps are now being taken significantly within the Department to begin to address the weaknesses that the Department itself sees in this area of its work.

We noted that a key contributing factors is that the way that the Department articulates its strategic plan does not frame its objectives in a manner that can allow predictable and consistent trade-offs and priorities across multiple missions and components. And as a consequence of that, major stakeholders in the Homeland Security enterprise, including the public, Congress, GAO, OMB and contractor community, lack confidence in the Department's ability to effectively set clear priorities and develop multi-year programs and budgets.

There are steps that we believe can be taken to address those weaknesses. These are the recommendations that we bring forward to address the weakness and, as I say, in a number of these areas the Department is already beginning to address them themselves.

First, we believe DHS must build a capable integrated acquisitions process at DHS headquarters and across components executed by the appropriate number of personnel with supporting career field's expertise in program management, systems engineering, logistics, contracting and procurement, cost estimating, business and financial management, testing and evaluation.

These procurement functions should seamlessly integrate into this acquisition process and model to ensure that procurement actions have the benefit of robust examination and communication.

I'd also note here, as we noted in our task force report, that this is not a problem that is peculiar to the Department of Homeland Security. The problem of under staffed and under functioning acquisitions capability exists in a number of government agencies and it is a widespread problem. It is particularly important though with the DHS as it is maturing; it is a younger department and it's being expected and demanded to step up its capabilities very, very rapidly in the context of the threats to the country, that this be a high matter of focus and attention.

Related to the first recommendation we believe that recommendation two, that DHS must integrate requirements and capabilities considerations at higher levels of management by adopting a collaborative joint requirements capabilities function managed by DHS Headquarters to oversee Department requirements and derivative acquisition strategies across DHS missions and components.

Third, we recommend that the Department produce a departmental acquisition strategy with a clear implementation plan, with definitive timelines for execution. Together the strategy and plan should allow for rigorous management, priority setting and budgetary decision making across missions and components. The strategy should be dynamic including a variety of program life spans and provide for changes in threat and hazards environment.

The task force commends the Department for moving forward with the Quadrennial Homeland Security Review and the Office of Net Assessment, which should be linked to this department-wide capability acquisition strategy.

Recommendation four: The Department should engage with the private sector through all phases of the acquisition process from concept exploration to the life cycle of field implementation. The Department should pursue disciplined and systematic engagements with private sector experts and key analysis to identify alternative approaches to solutions and find a best fit to DHS mission requirements. Of course, it has to be done in a manner that at all times maintains DHS control over essential core government functions.

Recommendation five: We believe the Department should utilize varying approaches to maintain visibility and access to current, emerging and over the horizon essential technologies. Once the Department is able clearly to identify program requirements to meet mission goals, it should work through DHS S&T and with the private sector, university laboratories and foreign partners to identify, develop and acquire the required technology through the comprehensive acquisition strategy outlined by our previous recommendations.

We also note that, in fact, the Department can approach innovation by taking over commercial off-the-shelf products and causing them to be modified so that the Department can get the benefit of innovation more rapidly by using off-the-shelf products that are modified to meet Department requirements.

Recommendation six: DHS is in a position to influence both de facto and de jure standards for security products in order to generate larger markets, both nationally and internationally and in turn decrease overall costs for Homeland Security products, services and programs. Formal adoption of current standards or the creation of new ones, if necessary, will act as a multiplier for goods and services in the Homeland Security marketplace. We recommend that the Department participate in private sector standard setting bodies to seek to assure the private sector standard and allow for compatible variations needed to meet potentially more robust Homeland Security implementations.

And finally this is a recommendation which, Judge Webster, you will recognize is one that has been repeated often by a number of task forces, committees and yourself, in that we believe it is important for Congress itself to simplify the process of oversight of the Department. The fact that the Department has such a complex mixture of components and missions has implied that there are multiple, frequently conflicting oversight requirements imposed upon the Department which it makes it more challenging for the Department to achieve the earlier recommendations we lay out.

So we are recommending to the Department that it continue its advocacy for simplification of the oversight process in Congress and that, indeed, we adopt the 9/11 recommendation of a much simpler oversight structure in Congress.

And that, Mr. Chairman, finishes our report. And, obviously, we and my Vice Chair and members of our task force are open to questions.

CHAIRMAN WEBSTER: Thank you very much, George.

It's an excellent report and I know the care and the thorough process by which it was put together. And it will be useful. And I'm sure a good deal of it will be implemented.

Number seven, which as you pointed out, was observed with the original Commission on 9/11 and we have been calling attention to it. The public would be surprised to know that in the oversight process some 86, 87 committees of Congress claim oversight responsibility which creates, as you pointed out, problems in administration and also an enormous drain on senior executive time. And we hope that in the next session of Congress something will be done about it.

MR. VRADENBURG: I would just for information, excuse me, put up on the chart the members of the task force which you see represent a broad cross section of the various senior advisory committees as well as members of HSAC. And just to skim through, the subject matter experts that we have drawn upon include a wide variety of individuals from the public and private sector, from congressional committees, from the GAO to OMB. And so this report reflects a great deal of influence and input. And I would also suggest an enormous consensus on the nature of what needs to be done to move us forward, including consensus within the Department itself.

CLOSING REMARKS

CHAIRMAN WEBSTER: Well, that's an impressive list of resources leading up to what I think has been a very fine report.

Are there any questions? Then do I hear a motion to adopt the recommendation of the Essential Technology Task Force? Moved and seconded. All in favor, please say aye.

ALL: Aye.

The report of the Essential Technology Task Force is adopted.

Now at this time we're going to bring the public session to a close. Members of the public who would like to provide comment to the Homeland Security Advisory Council may do so by writing to: Homeland Security Advisory Council, U.S. Department of Homeland Security, Washington, DC 20528.

HSAC information and meeting minutes may be found at www.DHS.gov.

Our meeting notices are posted in the *Federal Register* in compliance with the Federal Advisory Committee Act.

Members, we will reconvene as promptly as possible. We're running slightly behind time. We'll reconvene at 12:05.

We're adjourned (11:45 A.M.)